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United Nations Industrial Development Organization

Programme and Budget Committee

Tenth session
Vienna, 20-24 June 1994
Item 3 of the provisional agenda

ANNOTATED PROVISIONAL AGENDA

Report by the Director-General

Item 1. Opening of the session

In accordance with rule 17.2 of the rules of procedure (UNIDO/4) of the Programme and Budget Committee, the tenth session of the Committee will be opened by the Chairman of the ninth session, Mr. J. Y. Jamal (Qatar).

Item 2. Election of officers

In accordance with rule 17.1, the Committee shall elect from among the representatives of its members a Chairman and three Vice-Chairmen and from among the delegations of its members a Rapporteur. Rule 17.3 also stipulates that the offices of the Chairman, the three Vice-Chairmen and the Rapporteur shall be subject to equitable geographical rotation within a five-year cycle in accordance with appendix A to the rules of procedure. According to that appendix, the Chairman of the tenth session should be elected from members of the Committee included in List D of Annex I to the Constitution and the three Vice-Chairmen from List C, from the African States in List A and from the Asian States, respectively. The Rapporteur should be elected from members of the Committee included in List B.

Item 3. Adoption of the agenda

A provisional agenda for the tenth session of the Committee, prepared by the Director-General in consultation with the Chairman of the ninth session in accordance with rules 8 and 9 of the rules of procedure, is submitted to the Committee for adoption in document PBC.10/1.

Item 4. Report of the External Auditor, financial performance report and programme performance report for the biennium 1992-1993

The Committee in its conclusion 1987/19 requested the Director-General to submit each year to the Board through the Committee a clear and detailed financial performance report itemizing the utilization of financial resources, as well as a programme performance report describing the level of programme implementation. Subsequently, the Board at its seventh session (decision IDB.7/Dec.11), upon recommendation of the Committee, approved the incorporation of the programme performance report in the annual report, as proposed by the Director-General in documents IDB.7/3 and Add.1. Likewise, the General Conference in its resolution GC.4/Res.2, requested the Director-General to fully incorporate in future annual reports the programme performance report according to Board decision IDB.7/Dec.11, and to continue including therein the tabular presentation of significant performance indicators and the comparison of outputs implemented against outputs planned for the period covered by the annual report, as shown in document GC.4/35. Thus, the Annual Report of UNIDO, 1993, provides, parallel to the description of the activities carried out in 1993, the significant performance indicators and the comparison of outputs implemented against outputs planned for the biennium 1992-1993. In that respect, cross-references are made to the programmes and subprogrammes described in the programme and budgets, 1992-1993 (GC.4/42), as adopted by the General Conference at its fourth session. This information is supplemented by the financial statements and financial performance report, which continue to be issued as separate documents.

In accordance with financial regulation 11.10, the External Auditor's reports, together with the audited financial statements, shall be completed not later than by 1 June following the fiscal period to which they relate and shall be transmitted through the Committee to the Board in accordance with directions given by the Conference. The Committee shall examine the financial statements and the audit reports and submit recommendations to the Board which shall forward them to the Conference with such comments as it deems appropriate.

The Committee will have before it:

- Financial performance report for the biennium 1992-1993. Submitted by the Director-General (PBC.10/7-IDB.13/6)
- Report of the External Auditor on the accounts of UNIDO and of the Industrial Development Fund for the financial period 1992-1993 (PBC.10/8-IDB.13/7)
- Comments of the Director-General on the report of the External Auditor (PBC.10/9-IDB.13/8)
- Annual Report of UNIDO, 1993 (PBC.10/2-IDB.12/2)

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Item 5. Financial situation of UNIDO

A report on the financial situation as of 30 April 1994 will be submitted to the Committee. The information contained in that report will be updated in a conference room paper.

The Committee will also be informed of losses related to small catering items for the years 1992 and 1993.

The Committee will have before it:

- Financial situation of UNIDO. Report by the Director-General (PBC.10/10)

- Losses related to small catering items. Note by the Secretariat (PBC.10/3-IDB.13/2)

Item 6. Medium-term plan, 1996-2001 (including general ceiling for the biennium 1996-1997)

In accordance with General Conference decision GC.2/Dec.23, the Director-General is requested to submit to the Board in the first year of each fiscal period, through the Committee, a draft medium-term plan for the six years that follow the current fiscal period. The draft medium-term plan should be prepared in accordance with the principles mentioned in that decision. Furthermore, in compliance with paragraph (b)(v) d. of the same decision, the Director-General should also submit a preview of the biennium 1996-1997 indicating a general ceiling for that biennium.

The General Conference, in its resolution GC.5/Res.1, while taking note of the medium-term plan, 1994-1999 (IDB.10/5), requested the Director-General to ensure the compatibility of activities within the medium-term plan with the policy framework of UNIDO outlined in document GC.5/23 and endorsed by the General Conference in resolution GC.5/Res.18.

The Committee will have before it:

- Draft medium-term plan, 1996-2001. Submitted by the Director-General (PBC.10/12-IDB.13/10)

- Preview of first biennium 1996-1997 and preliminary indicative general ceiling. Submitted by the Director-General (PBC.10/12/Add.1-IDB.13/10/Add.1)

Item 7. Industrial Development Fund

In accordance with Article 17 of the Constitution, in order to increase the resources of the Organization and to enhance its ability to meet promptly and flexibly the needs of the developing countries, the Organization shall have an Industrial Development Fund (IDF) which will be financed through the voluntary contributions to the Organization provided for in Article 16, and other income as may be provided for in the financial regulations of the Organization. The Director-General shall administer IDF in accordance with the general policy guidelines governing the operations of the Fund that are established by the Conference, or by the Board acting on behalf of the Conference, and in accordance with the financial regulations of the Organization. Rules governing the financial management of IDF, prepared in accordance with the financial regulations established by the Conference in its decision GC.2/Dec.25, are contained in the Financial Rules of UNIDO (UNIDO/DG/B.74/Rev.1 and Amend.1). Furthermore, the General Conference in its resolution GC.5/Res.8 requested the Director-General to prepare comprehensive policy guidelines for all projects funded from funds administered by UNIDO (see also item 8 below).

At the recommendation of the Committee, the Board at its eleventh session adopted decision IDB.11/Dec.25 in which it delegated authority to the Director-General to approve projects for financing under IDF in 1994-1995 in accordance with the priority areas of the medium-term plan. It also underlined the need to take certain measures to strengthen the fund-raising capabilities of UNIDO.

In accordance with Board decision IDB.4/Dec.30, the Director-General is to provide information as to the nature of projects financed from the Fund, indicating therein the projects financed from its general-purpose segment as well as information as to the projects financed from its special-purpose segment. Furthermore, in accordance with General Conference decision GC.3/Dec.25, the Director-General is to submit periodically a detailed report on the matter to the Board in the Annual Report.

The Committee will have before it:

- Industrial Development Fund - Estimated resource level and programming for 1995 and 1996. Report by the Director-General (PBC.10/5-IDB.13/4)

- Information on the nature of projects financed from the Industrial Development Fund, contained in the Annual Report of UNIDO, 1993 (PBC.10/2-IDB.12/2, chap. III, paras. 90-96, and appendix G)

- Lists of projects approved under the Industrial Development Fund (IDF) (PBC.10/CRP.1)

Item 8. Guidelines and procedures governing acceptance and funding under special trust funds, Industrial Development Fund and the regular budget

In its resolution GC.4/Res.28, the General Conference at its fourth session, while approving the guidelines for the development, appraisal, approval, implementation and evaluation of special trust fund projects, contained in document GC.4/36, requested the Director-General to prepare certain additions to those guidelines.

Subsequently, in a note submitted by the Director-General to the Board at its eighth session on the regulatory framework for the implementation of Article 16 of the Constitution (IDB.8/33), it was explained that, with the growth experienced in the special trust fund programme, as well as in the activities funded by the Industrial Development Fund, it had been decided to revise Director-General's Bulletin UNIDO/DG/B.18 containing guidelines on the preparation, processing, monitoring and negotiation of trust fund agreements not funded by IDF to provide a more detailed set of guidelines and procedures, and to take into account the experience gained by the Secretariat since UNIDO was established as a specialized agency. In addition to special trust funds, the revised bulletin would also cover projects funded by the Industrial Development Fund and

the regular budget. While submitting the additions to the guidelines for special trust fund projects as requested by resolution GC.4/Res.28, the Director-General in his report to the General Conference (GC.5/29) explained that the proposals on the future policy framework of UNIDO and its organizational and staff structure contained in document GC.5/23, if approved by the General Conference, would necessitate the revision of the internal administrative procedures for the development, appraisal, approval and implementation of all projects financed from UNIDO-administered funds, including special trust funds, with a view to integrating existing procedures in a single process. Since the guidelines for special trust fund projects approved by the General Conference in resolution GC.4/Res.28 did not cover all projects financed from UNIDO-administered funds, they were not fully suitable for the restructured UNIDO.

In the light of that information, the General Conference, in its resolution GC.5/Res.8, requested the Director-General to prepare comprehensive policy guidelines for all projects funded from funds administered by UNIDO, as stated in document GC.5/29 and to report on the implementation of that resolution to the General Conference at its sixth session through the Board.

The Committee will have before it:

- Guidelines and procedures governing acceptance and funding under special trust funds, Industrial Development Fund and the regular budget. Report by the Director-General (PBC.10/11-IDB.13/9)

Item 9. UNIDO Country Director programme

The financial situation of the UNIDO Country Director (UCD) programme was discussed at the ninth session of the Committee and the eleventh session of the Board. The Board in its decision IDB.11/Dec.29 endorsed conclusion 93/9 of the Committee in which it was considered that the achievement of the target of 50 UCD posts or at least maintaining the present number, required, as a matter of urgency, financing from a combination of sources, inter alia, from UNDP funds, voluntary contributions and the UNIDO operational budget, and requested the Director-General to continue negotiations with UNDP on the most appropriate financing arrangement, bearing in mind the desire to increase or at least maintain the present number of UCD posts for the fifth programming cycle. That conclusion also requested the Director-General to prepare proposals for a programme framework for field representation as a basis for negotiating extrabudgetary financing, taking into account current discussions in the United Nations General Assembly and including possible redeployment of headquarters staff to the field to maintain the current level of UCDs. Member States were also called upon to provide resources to the field representation programme and in that context detailed information was requested on the UCD model office which has its local costs financed from the indicative planning figure (IPF) of the host country.

The Director-General was requested to report to the Board on the implementation of Board decision IDB.11/Dec.29 and Committee conclusion 93/9.

The Committee will have before it:

- UNIDO Country Director programme. Report by the Director-General (PBC.10/4-IDB.13/3)

Item 10. Accounting standards

In its decision 47/449 the General Assembly requested the Secretary-General and the executive heads of the organizations of the United Nations system to complete their efforts to develop common accounting standards and to take these into account in the preparation of their financial statements for the period ending 31 December 1993. In compliance thereof a new text of accounting standards for the United Nations system was adopted by the Administrative Committee on Coordination and submitted by the Secretary-General to the General Assembly at its forty-eighth session. In his report to the General Assembly the Secretary-General stated that the standards were also expected to be submitted to the governing bodies of other organizations of the system in accordance with the procedures applying in each case.

In its resolution 48/216, section C, the General Assembly took note of the accounting standards submitted by the Secretary-General and requested the executive heads of the United Nations organizations to take them into account in the preparation of their financial statements for the period ending 31 December 1993.

The Committee will have before it:

- Accounting standards. Report by the Director-General (PBC.10/6-IDB.13/5)

Item 11. Electronic data-processing programme

In its decision GC.4/Dec.18, the Conference at its fourth session requested the Director-General, with a view to ensuring the transparency of all operations concerning the electronic data-processing (EDP) programme and avoiding a repetition of past difficulties, to report to the subsequent sessions of the policy-making organs on the programme and cost of implementing the consultants' recommendations and the recommendations of the External Auditor, as contained in documents GC.4/CRP.1 and GC.4/50, especially those concerning the disaster recovery plan, the organizational and functional changes and the internal control and evaluation of automation projects. It also requested the Director-General to keep Member States fully apprised of the EDP programme by quarterly briefings and informal notes (GC.4/Dec.18, para. (i)). Such briefings have taken place on a regular basis and progress reports were submitted to the eighth and ninth sessions of the PBC (PBC.8/15, PBC.8/CRP.2 and PBC.9/6), the ninth, tenth and eleventh sessions of the Board (IDB.9/12, IDB.10/30 and IDB.11/23) and the fifth session of the General Conference (GC.5/27).

The Committee will have before it:

- Electronic data-processing programme. Report by the Director-General (PBC.10/13)

Item 12. Date of the eleventh session of the Committee

The following dates have been reserved for the policy-making organs of UNIDO in 1995:

24-28 April 1995 (tentative)	PBC - eleventh session
19-23 June 1995 (tentative)	IDB - fourteenth session
4-8 December 1995 (final)	GC - sixth session

Item 13. Adoption of the report of the tenth session

Item 14. Closure of the session